

Economic and Revenue Update

8/11/2020

City Budget Office



City of Seattle

Citywide Conditions – Year-to-Date

- Historically, through July (58% of the year), we have only received about 49% of annual revenue.
- Revenues for all city funds combined are down 13.1% or \$440 million relative to 2019 levels through week 31 (through 8/1)
- Corona Virus and recession effects differ across funds
- Seattle Center -32%; Parks and Rec -32%*; REET I and II Capital Funds -43%; City Light Fund – 7%; SDCI +4%; GF -16%
- Larger discrepancies when compared to the 2020 Adopted Budget. E.g., the GF is down 22% through July.



General Fund Revenue Scenarios - Slow Recovery

Slow Recovery (\$1,000s)	2019 Actuals	2020 Adopted	2020 April	2020 June	2020 Change	2021 April	2021 June	2022 April	2022 June
Property Taxes	320,736	345,085	340,888	340,894	(4,191)	353,291	355,452	365,600	361,323
Sales Taxes	291,961	298,842	233,423	243,496	(55,347)	224,522	240,881	276,851	258,901
Business & Occupation Taxes & Licenses	320,503	315,537	257,531	267,919	(47,618)	246,406	272,823	303,489	300,499
Utility Taxes	212,610	220,557	207,286	204,397	(16,159)	216,037	214,132	226,703	223,318
Court Fines/Parking	67,621	65,705	31,459	27,653	(38,052)	52,128	50,387	64,217	58,527
All Else	174,804	158,400	145,567	135,717	(22,683)	147,227	144,981	150,876	150,028
General Fund Total	1,388,235	1,404,126	1,216,154	1,220,076	(184,050)	1,239,610	1,278,655	1,387,736	1,352,596
<i>Growth Rate Year/Year</i>			-12%	-12%		2%	5%	12%	6%
Seattle Center	21,666	22,033	12,881	12,881	(9,152)	12,448	12,448	13,936	13,936
Parks & Recreation	30,153	33,474	10,474	10,474	(23,000)	10,123	10,123	11,332	11,332
Other General Government Revenues									
Admission Tax	11,384	11,691	3,462	2,845	(8,847)	9,073	8,678	9,527	9,326
Short-term Rental Tax	24,119	10,500	5,600	3,675	(6,825)	8,750	8,313	10,500	9,765
Sweetened Beverage Tax	24,119	24,329	16,876	15,367	(8,962)	21,515	20,772	23,970	21,812
Mercer Megablock Sale	-	66,500	66,500	66,500	-	-	-	-	-
Real Estate Excise Tax	100,933	82,958	48,313	42,734	(40,224)	61,645	61,645	75,351	75,351
STBD	34,392	31,299	27,829	25,482	(5,817)	-	-	-	-
Commercial Parking Tax	49,232	45,596	30,321	25,458	(20,138)	43,088	40,580	45,596	42,404
School Zone Camera Fund	9,657	9,666	7,440	5,314	(4,352)	14,219	13,753	13,162	12,829
Total	253,837	282,539	206,340	187,374	(95,165)	158,290	153,740	178,106	171,487
Grand Total	1,693,891	1,742,172	1,445,848	1,430,804	(311,368)	1,420,471	1,454,966	1,591,111	1,549,351



Transportation Related Revenues

Jun-20	Transportation-related Revenue Projections					SCENARIO:	DOWNSIDE -- SLOW RECOVERY				
	(\$1,000s)										
	Move Seattle Levy (projected cash rec'd)	CPT -- 10%	CPT -- 2.5%	VLF -- \$20	VLF -- \$60	Sales Tax -- 0.1%	Schl Zone Cams	Red Light Cams (80%)	Red Light Cams (20%)	On-Street Parking	REET
2019	100,262	39,385	9,846	8,598	25,794	30,440	9,657	4,688	-	38,298	100,933
2020	101,845	20,366	5,092	7,219	21,657	25,482	5,314	3,005	-	12,504	42,734
2021	103,971	32,464	8,116	7,255	Expires	19,529	13,006	3,461	865	26,706	61,645
2022	106,142	33,923	8,481	7,357		27,094	12,022	3,873	968	32,919	75,351
2023	108,359	34,571	8,643	7,460		28,857	12,448	3,846	961	35,923	-
2024	110,621	35,588	8,897	7,564		30,419	12,427	3,827	957	36,139	-
2025	112,931	36,635	9,159	7,670		31,345	12,224	3,808	952	36,037	-
2026	115,289	37,712	9,428	7,777		32,263	12,057	3,789	947	36,030	-
Through Week 31 (through Aug. 1)											
2020 Actuals	53,800	6,555	1,639	2,578	7,733	8,261	2,897	1,868	-	7,778	16,109
% of Forecast	52.8%	32.2%	32.2%	35.7%	35.7%	32.4%	54.5%	62.2%	-	62.2%	37.7%
% of 2019	53.7%	16.6%	16.6%	30.0%	30.0%	27.1%	30.0%	39.8%	-	20.3%	16.0%



Move Seattle Levy Assessment 2020-2024 Deliverables Plan

8/11/2020

Seattle Department of Transportation



City of Seattle

Agenda

- Context
- Budget and levy assessment timelines
- LOC assessment feedback
- Program prioritization examples
- 2021-2022 budget development process
- Levy assessment approach
- Next steps
- Feedback and questions



Context



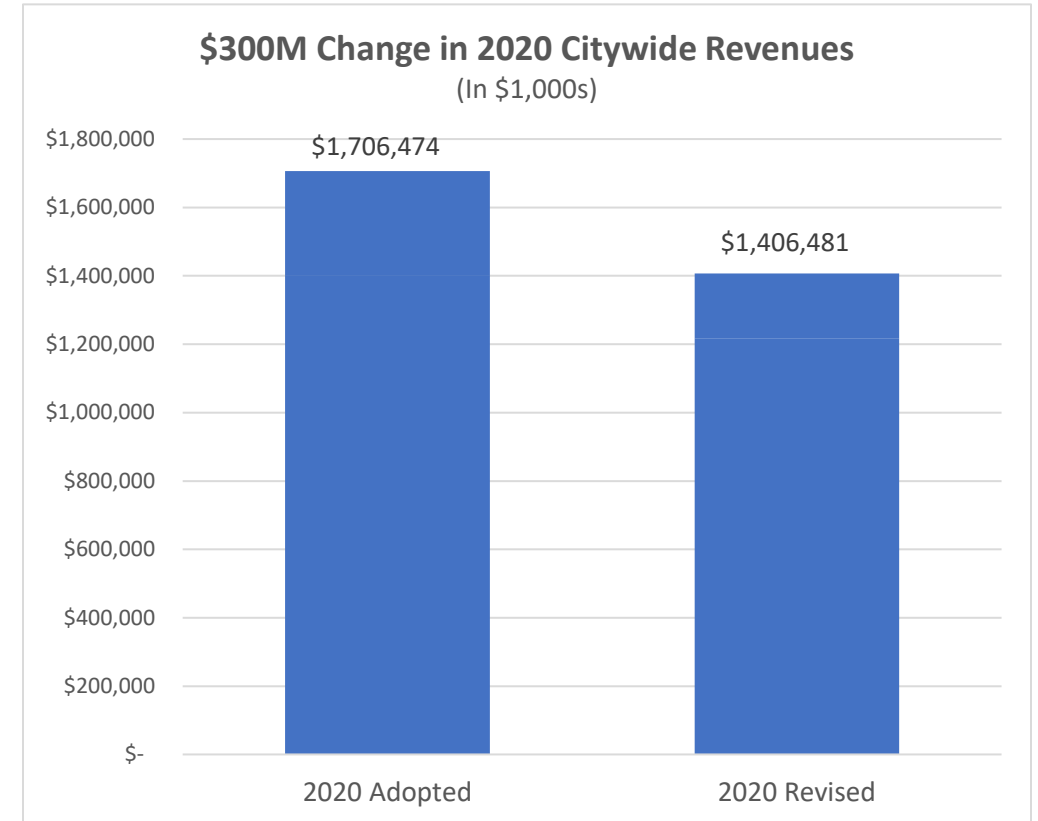
Decline in revenues

- Levy (property tax) revenues are expected to hold fairly steady
- Levy portfolio relies on non-levy revenues (local funds and leverage)
- Declines anticipated for:
 - Vehicle license fees (VLF)
 - Real estate excise tax (REET)
 - Commercial parking tax (CPT)
 - General fund (sales tax and other)
 - Partnership funding

Levy program funding reductions

Levy projects paused due to reduction in non-levy funds

- 2020: \$23.4 M levy program reduction
- 2021-2022: further budget reductions



2021-2022 budget development process

- Rapid response to sudden changes in revenue forecasts
- SDOT priority to preserve staff to aid in recovery
- Proposals developed by program
- Comprehensive levy assessment unable to fit into budget timeline; budget draft due from departments June 2020



Levy assessment: what to deliver with remaining funds?

Assessment objectives:

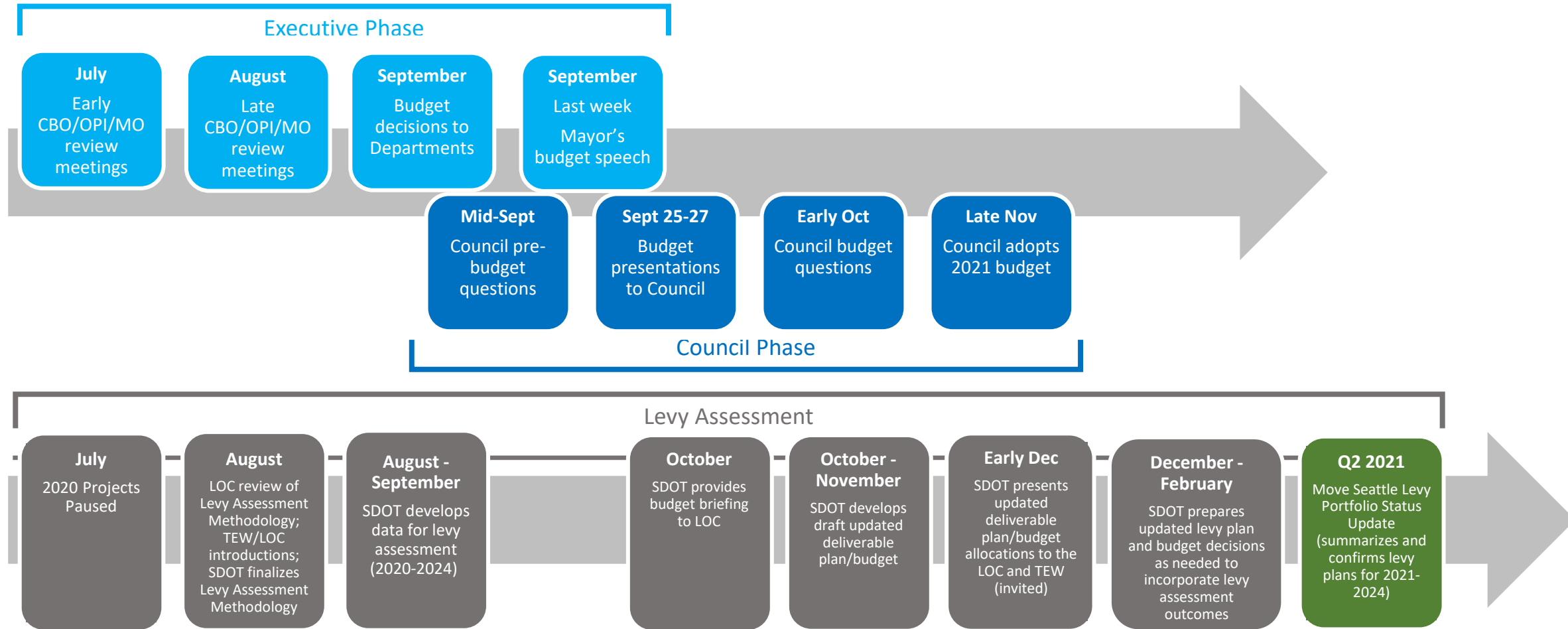
- Align remaining levy investments with levy values
- Identify levy deliverables through 2024
- Validate or modify budget actions



Move Seattle Levy budget restrictions

- Local and levy dollars may be transferred within a program by SDOT, and any modifications of deliverables or projects are reviewed with the LOC
- Levy dollar transfer between programs can occur similarly, as long as 90% of the appropriated levy funds stay within each of the core levy categories: Safe Routes, Maintenance and Repair, and Congestion Relief
- Any levy dollar transfer between the core levy categories that exceeds 10% of the appropriated amount requires a $\frac{3}{4}$ vote of City Council

Budget and levy assessment timelines



LOC assessment feedback (June 2020)

- Transparency
- Factors
 - Project status – complete existing projects before starting new
 - Grants and partnerships – maximize deliverables
 - Equity – address areas we historically underserved
 - Safety
 - Climate change
 - Urban village focus – reduce car dependence
 - Consistency in program prioritization methods



Program prioritization examples

Vision Zero

- Quantitative approach for both proactive and reactive program investments (2 years)
- Collision data normalized per mile (70%)
- Average posted speed (5%)
- Race and Social Equity Composite Index scoring (25%)

BMP Implementation

- Quantitative and qualitative approach established in Bicycle Master Plan
- Project segments scored on 5 criteria: safety, connectivity, equity ridership, and livability
- Qualitative factors: policy directives, community interest, geographic balance, leverage
- 5-year implementation plan updated annually with Seattle Bicycle Advisory Board

Transit Spot Improvements

- Primarily qualitative approach to program investments (2 years)
- Needs mostly identified by others: City priorities, Metro requests and funding, safety programs
- Equity considers rider demographic surveys and census to identify projects that serve a high number of people with low incomes





Levy Assessment Approach



Assessment approach

Step 1

Conduct qualitative assessment of all defined levy deliverables through 2024 (pre-COVID funding levels)

- Map planned projects
- Apply factors

Step 2

Determine if individual program prioritization methods and their project rankings align with levy values

- If yes, use this data in Step 3
- If no, combine data from Step 1 and Step 2 for use in Step 3

Step 3

Develop remaining deliverable plan

- Develop updated deliverable plan by program
- Identify potential budget shifts between programs and/or levy categories

Qualitative assessment summary

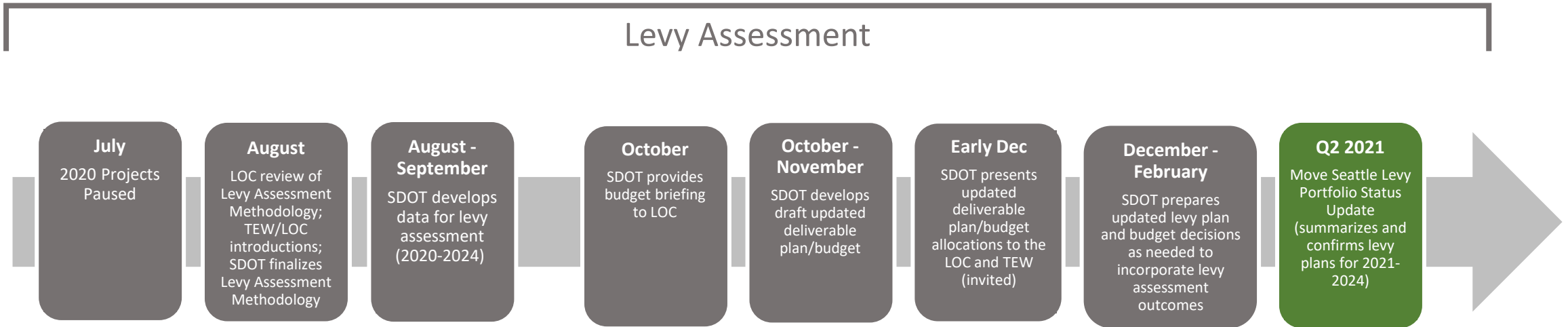
Factors (Y/N)

- In construction
- Partnership funding
- Grant funding
- In an equity focus geography
- Provides an equity focus community benefit
- Improves safety
- Reduces carbon emissions
- In an urban village or center

Project Name	Move Seattle Program	2020 \$	Project Description	In Construction	Partnerships	Grant Received	Equity Focus Communities: Location	Equity Focus Communities: Benefits	In an Urban Village / Center	Improves Safety	Reduces Carbon Emissions	Project Type	Comments
Sand Point Way NE	Program 1 – Safety Corridors	2,451,566	70th to 77th. second phase of this project, including new sidewalks, is paused at final design before advertising construction contract	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	Safe Routes	Mitigation funding available.
23rd Ave E Corridor-Phase 3	Program 1 – Safety Corridors	1,400,000	Phase 3 (John St to SR-520): project paused at final design before advertising construction contract	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	Congestion Relief	Provides north-south connections between University District and Central Area.
Thornton Creek Elementary School	Program 2 – Safe Routes to School	50,000	Pause traffic calming work on NE 80th St between 75th St and NE 82nd St	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	Safe Routes	Not a Title 1 school.
North 130 th Street & Ashworth Ave North	Program 2 – Safe Routes to School	200,000	Pause signal work	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	Safe Routes	Within and affects second highest equity areas. Nearby transit connections and school (Ingraham).



Next Steps



Feedback and questions



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www.seattle.gov/transportation



Move Seattle Levy Updates

8/11/2020

Seattle Department of Transportation



City of Seattle

2020 Project Pauses

- Immediate actions required in 2020 to be taken to address reduced revenue
- Only active 2020 work eligible to address
- Email sent to the MSL LOC in June
- Included link in Q2 2020 Levy Report
- Further pauses tied to cuts in 2021-2022 budget process
- Levy assessment will review and validate or propose modifications
- Questions?



2021 Cash flow

- \$20M less available in 2021 than planned for project delivery
- Due to timing of construction/cash outlay associated with project delivery schedules
- Anticipated, but options for addressing are unavailable now due to COVID
- Additional deferral of spend and delivery to later levy years to solve
- Details pending and will be shared in October with 2021-2022 budget update



Bridge Seismic Program

- Project Definition Report (PDR) either complete (13) or nearly complete (3)
- PDR:
 - analyzes the structure to determine its seismic deficiencies as is
 - makes recommendations for retrofit
 - analyzes the structure with retrofits in place to ensure that those retrofits will provide the desired level of service (e.g. bridge operational after a 100-year level event, bridge will not collapse after a 1000-year level event-life safety)
 - provides an engineering cost estimate for design and construction of the adopted retrofit strategies
 - 3 bridges already in or proceeding to construction
- 11 of 16 have cost estimates that exceed funding plan; anticipated to scale improvements to deliver to budget
- 2021-2022 funding cuts may exacerbate programmatic fund limitations
- In conjunction with the levy assessment, we will propose revisions to this program



Transit + Multimodal Corridors

- Madison BRT – RapidRide G:
 - SDOT received Readiness Report and addressed all Management Capacity & Capability requirements
 - Seeking Small Starts grant by end of 2020 – finalizing local funding commitments
 - Construction 2021 (pending grant award)
- Roosevelt – RapidRide J:
 - Metro reviewing capital and operating budget; discussions underway
 - FONSI release expected to be delayed
- Delridge – RapidRide H:
 - Under construction, on schedule
- Rt 44 and 40:
 - Online outreach this summer
- Grant updates:
 - RR J: Awarded \$4M via PSRC; seeking \$6M in State RMG
 - Rt 40: Awarded \$4M via PSRC; seeking \$4M in State RMG
 - Rt 48: Awarded \$1.2M via PSRC



Staff Resource Priorities/Constraints

- Emergency response including WSHB
- ADA consent decree
- Limited crew resources due to COVID continues
- Will continue to result in defer/delay of capital delivery and some O&M activities

